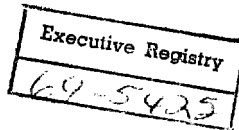


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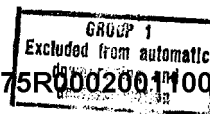
MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Liquidation of CIA Welfare Assistance Board

1. This memorandum submits recommendations for your approval. Such recommendations are contained in paragraph 6.
2. In October 1953, the Director of Central Intelligence established the CIA Welfare Board, reconstituted in 1955 as the CIA Welfare Assistance Board (WAB), as a means to render emergency financial assistance to needy Agency employees. Funds, averaging \$1,200 annually, for its operations have been received from Government Services Inc., which has distributed a portion of income to employee welfare or recreation associations of agencies whose cafeterias it operates.
3. Over the years, WAB has functioned primarily as a "small loan company" providing limited assistance, \$200.00 or less, to be repaid in a short time. The more serious cases involving larger sums and longer repayment periods have been referred to the Public Service Aid Society (PSAS), a second Agency entity which also provides emergency financial assistance to employees.
4. The Agency's Audit Staff has recommended that the WAB be dissolved and that its short-term, small loan activity be absorbed by PSAS. Only a slight change in PSAS procedures was needed for it to provide the immediate service and assistance available from WAB. On 25 September, the PSAS Board of Trustees took this action; it appears appropriate now for the Director to consider dissolving the WAB.
5. WAB by-laws contain no provision for disposition of its assets, approximately \$12,000, on dissolution although it appears that the funds should be turned over to an employee organization of a type that qualifies to receive money from GSI. There are three such organizations in the Agency: PSAS, The Employee Activity Association, and the Educational Aid Fund. Of these, the Educational Aid Fund (EAF) is most in need of funds. It has not been able to respond adequately to the increasing need of Agency employees for assistance in meeting the costs of higher education of their dependents and it is always looking for new sources of funds. This year, EAF received 80 applications for assistance; 35 grants, each amounting to \$500 and one for \$750, were made. The EAF Board of

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Trustees hopes someday, when its financial situation permits, not only to increase the number of grants but also the amount. Money used to make grants awarded in 1969 came from the Agency's annual solicitation of funds, \$15,600, and interest from EAF's modest capital fund which amounts to \$23,027.

6. It is recommended that:

- a. The Welfare Assistance Board be dissolved,
- b. That WAB assets be transferred to the Educational Aid Fund, and
- c. That the Director of Personnel be authorized to request that GSI henceforth send its distribution of income to the EAF instead of the WAB.




Robert S. Wattles
Director of Personnel

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CONCUR •



The recommendations contained in paragraph 6 are approved:


Director of Central Intelligence

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